

Message Text

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ORIGIN XMB-07

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DRAFTED BY: AMOHANIAN/RLS

APPROVED BY: EB/OCA/REP:RCJORGENSEN

XMB/DON BOSTWICK, EXECUTIVE VICE PRESIDENT

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FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

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E.O. 11652 N/A

TAGS: APUB, BR

SUBJECT- PRESS RELEASE ON EXIMBANK LOAN TO BRAZIL.

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
LOAN OF DOLS 1,082,000 TO IVSA. RELEASE IS SCHEDULED FOR AN-
NOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, TUESDAY,
JULY 31, 1973.

QUOTE: EXIMBANK SUPPORTS DOLS 2.4 MILLION SALE OF U.S.

EQUIPMENT FOR INDUSTRIAL PLANT IN BRAZIL

TO HELP FINANCE A DOLS 2,404,700 SALE OF U.S. GOODS AND SERVICES
REQUIRED FOR EXPANSION OF AN INDUSTRIAL MANUFACTURING PLANT IN
BRAZIL, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE
UNITED STATES HAS AUTHORIZED A DIRECT LOAN OF DOLS 1,082,000 TO
FINANCE 45 PERCENT OF THE U.S. COSTS AND A FINANCIAL GUARANTEE
OF A LOAN FROM PRIVATE U.S. SOURCES NOT YET DESIGNATED TO FINANCE
ANOTHER 45 PERCENT OF THE COSTS, ACCORDING TO EXIMBANK'S
CHAIRMAN HENRY KEARNS. THE BORROWER, INDUSTRIAS VILLARES, S.A.
(IVSA), WILL MAKE CASH PAYMENT OF 10 PERCENT OF THE U.S. COSTS,
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OR DOLS 240,770.

THE PROJECT IS FOR DESIGN AND CONSTRUCTION, SERVICES AND EQUIPMENT REQUIRED FOR THE EXPANSION OF AN INDUSTRIAL MANUFACTURING PLANT AT A TOTAL ESTIMATED COST OF SOME DOLS 15.2 MILLION. IVSA'S ELEVATOR DIVISION IS LOCATED IN SANTO AMARO AND THE EQUIPMENT DIVISION IS IN SAO BERNANDO DO CAMPO, BOTH IN THE SAO PAULO AREA. THE EXPANSION PROGRAM, SCHEDULED FOR COMPLETION IN DECEMBER 1974, WILL INCREASE THE PRODUCTION OF ELEVATORS AND ESCALATORS. U.S. PURCHASES WILL BE MADE FROM VARIOUS MACHINE TOOL MANUFACTURERS NOT YET SELECTED. THE LOANS ARE TO BE REPAID IN 14 SEMIANNUAL INSTALLMENTS BEGINNING AUGUST 10, 1975, WITH EXIMBANK'S DIRECT LOAN OF DOLS 1,082,000 TO BE REPAID OUT OF THE LAST 7 INSTALLMENTS WITH INTEREST WHICH WOULD BE CHARGES AT THE ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES. UNQUOTE ROGERS

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TAGS: APUB, BR
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